

Hobbies

A circulating dollar coin is lobbying group's goal

By Roger Boye

A lobbying group in Washington vows to continue its push for a circulating dollar coin after President-elect Clinton takes office in January.

In the last two years, Congress has failed to pass legislation calling for gold-colored dollar coins to replace \$1 Federal Reserve notes even though scores of lawmakers have co-sponsored the proposal.

"The Bush administration was no friend of ours," said James C. Benfield, executive director of the Coin Coalition, a group of companies and associations that want Uncle Sam to make a dollar coin. "If they [Treasury officials] had endorsed the bill, it might have passed."

Late last year, a U.S. Mint administrator told Congress that the Treasury Department did not support the elimination of the \$1 bill or the introduction of a dollar coin, in large part because of fears that people would avoid the coins.

"Americans prefer dollar bills over coins," said Eugene H. Essner, then acting mint director. "This position is supported by modern-day efforts to introduce dollar coins—the Eisenhower dollar in 1971 and the Susan B. Anthony coin in 1979. Both failed because the preferred and convenient dollar bill was available."

But several studies have concluded that a dollar coin would make sense for U.S. taxpayers. The Federal Reserve System believes that Uncle Sam would save nearly \$400 million a year if it replaced \$1 bills with circulating dollar coins, while a University of Chicago economics professor has said the total could approach \$860 million annually with mass transit saving an additional \$100 million.

A conversion to dollar coins would reduce the cost of making money because a coin would stay in circulation 20 years or more while a bill usually wears out in 18 months.